GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3149
ANSWERED ON:05.12.2016
Setting up of SEZ
Hegde Shri Anant Kumar Dattatreya

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the concept of setting up of a Special Economic Zone (SEZ) is contrary to the target of development for all in the Country;
(b) if so, the reaction of the Government thereto;
(c) whether the targets fixed originally have not been achieved by the SEZs set up a decade ago in the Country; and
(d) if so, the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) and (b): The principal objectives behind creating Special Economic Zone (SEZs) in the country include:

i. generation of additional economic activity
ii. promotion of exports of goods and services;
iii. promotion of investment from domestic and foreign sources;
iv. creation of employment opportunities;
v. development of infrastructure facilities

(c) and (d): In addition to Seven Central Government Special Economic Zones (SEZs) and 11 State/Private Sector SEZs set-up prior to the enactment of the SEZs Act, 2005, approvals have been accorded to 405 proposals for setting up of SEZs in the country. Presently, out of 331 notified SEZs a total of 206 SEZs are operational.
As on 30.09.2016, an investment of Rs 4,06,690 crore has been made in different SEZs and an employment for about 16.88 lakh persons has been generated. The various steps taken to strengthen SEZs in the country are as under:

i. Minimum Land Area requirement for setting up of new SEZs has been reduced to 50% for Multi-product and Sector-specific SEZs.
ii. Sectoral broad-banding has been introduced to encompass similar / related areas under the same Sector.
iii. A new sector "agro-based food processing" sector has been introduced to encourage agro-based industries in SEZs.
iv. Dual use of facilities like Social & Commercial infrastructure by SEZs and non-SEZs entities has been allowed in order to make SEZ operations more viable.
v. Online processing of various activities relating to SEZ Developers and Units has been introduced for improving ease of doing business.

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